

# Town of Darien



## **REQUEST FOR PROPOSALS**

## **FINANCIAL ADVISOR SERVICES**

## **TOWN OF DARIEN**

## **RESPONSE MUST BE RECEIVED BY:**

**Kathleen Clarke Buch, CPFO  
Finance Director  
Town Of Darien  
2 Renshaw Road  
Darien, CT 06820**

**NO LATER THAN 2 PM, FRIDAY AUGUST 4, 2006**

Responses will be evaluated based upon, but not limited to, related experience of the respondents, knowledge of the Town, professional qualifications of individuals to be assigned to the Town, creative financing strategies, fees, and overall Proposal content. Oral interviews of the most responsive firms may be required. All firms selected for interviews will be notified of the selection as soon as possible.

## **I. INTRODUCTION**

The Town of Darien (the “Town”) is seeking qualified financial advisors to advise the Town in connection with any financings or projects that the Town may undertake. This Request for Proposals (“RFP”) is intended to select a qualified firm (or firms) to serve on a retained basis for a period of five years. The Town reserves the right, at its sole discretion, to select financial advisors for future financings or related contracts through alternative means or requests for Proposals.

## **II. TOWN OF DARIEN INFORMATION**

Covering an area of 14.9 square miles, Darien is located in lower Fairfield County on Long Island Sound. It is located between Stamford and Norwalk and bordered to the north by New Canaan. The Town of Darien has an estimated population of Darien has a First Selectman/Board of Selectmen form of government along with a Representative Town Meeting. The Town's credit rating, as of its last review in the fall of 2005 by Moody Investors Service, is Aaa.

The Town has numerous bond issues outstanding at present. Issues totaling approximately \$30 million, in two or more offerings, are planned over the next three fiscal years. These issues will fund two school construction projects as well as a major road drainage project. Funding for sewer expansion projects may also be considered.

## **III. REQUEST FOR PROPOSALS PROCESS**

With this RFP, the Town is soliciting Proposals from qualified firms for financial advisor services on debt structuring and management on an as-needed basis. The services required are detailed in this RFP.

Based on an evaluation of the Proposals and qualifications of the firms responding to this solicitation, the Town desires to retain one or more qualified firms available for projects on an as requested basis for a term of five years. The Town reserves its right to terminate the relationship for cause at any time.

The Town intends to evaluate financial advisor services from time to time and conduct an independent analysis at the end of the program term to assess the cost effectiveness, benefits and value added to the Town’s finance program resulting from these services.

### **Conflict of Interest**

While the financial advisor's services shall vary according to the Town’s particular needs during the term of engagement, at no time during the term with the Town shall an engaged financial advisor simultaneously be involved in underwriting any Town of Darien municipal securities. By submission of a Statement of Qualifications, the proposer certifies that he/she is aware of this conflict of interest provision of the RFP.

#### **IV. SCOPE OF SERVICES**

The services solicited for financial advisor to the Town will include, but are not limited to, providing assistance to the Town in the following areas:

- Assistance in the evaluation of underwriters for the formation of the financing team
- Assistance with the risk analysis of various financing structures and strategies
- Financing structure
- Assistance with the preparation, proofing and printing of the preliminary and final official statements
- Assistance with Rating Agency package for Town presentation
- Assistance with research and analyses for pricing including assessing marketplace timing
- Provide assistance for acceptance of proposals received on the day of the sale, calculate true interest cost and net interest cost
- Coordinate closing, settlement and payment to the Town
- Assist with securing or providing Paying Agency services for bonds and notes
- Evaluation of finance team performance and bond sale results
- Assessment of bond market conditions at time of sale of bonds
- Provide periodic evaluations of market conditions and recent issue structures
- Monitor existing debt for refunding and prepayment opportunities
- Assist with Evaluating costs of existing and proposed debt (rating agency fees, paying agent fees, etc)
- Attend occasional meetings to make presentations
- Assistance in negotiations with bond insurers, if necessary
- Other activities

#### **V. PROPOSER QUALIFICATIONS**

The proposer shall identify the financing team and any other key personnel involved, including subconsultants and co-proposers. The proposer shall indicate the primary contact/project supervisor. A brief resume for each person should be included as an appendix, listing specific qualifications applicable to experience with similar projects in Connecticut.

Only independent financial advisory firms that meet one of the following requirements will be considered for selection:

- ❖ Do not underwrite bonds and are not associated with firms which underwrite bonds;

-OR-

- ❖ Firms that shall agree to be prohibited from participating in the underwriting for any bonds issued or considered by the Town during the term of the engagement and for

three months thereafter.

Proposers should meet the following minimum requirements:

- Firm's length of time in business must be a minimum of five years and/or
- Financial Advisor staff proposed for the Town engagement should have experience in Connecticut public finance since 1998.
- Firm must have experience as a Financial Advisor to a state or local agency that has issued municipal bonds since the enactment of the Federal Tax Reform Act of 1986.
- Firm should have sufficient number of qualified and experienced employees assigned to the Town engagement in order to respond to the Town on an as-needed basis and provide the Town a method to assure this availability.
- Over the last five years, the firm, or lead advisor assigned to Darien, must have been retained for a minimum of fifteen public finance consulting engagements. This may include multiple discrete engagements with one client.
- During the last two years, the firm's staff to be assigned to the Town's account must individually have experience of a minimum of ten consulting engagements. This may include multiple discrete engagements with one client.
- Firm must provide evidence of Insurance.

## **VI. QUALIFICATIONS CONTENT AND SEQUENCE**

Cover Letter - This shall be a brief letter transmitting the Qualifications and indicating the name, address, telephone number and fax number of the person(s) authorized to make representations for the firm and commit the firm to a commitment letter.

Table of Contents- A comprehensive Table of Contents of the material presented in the Proposal with the appropriate page numbers.

Questionnaire Response – This section should be the major portion of the Proposal and, at a minimum, should cover the responses to the questions below.

### ***General Firm Information***

- 1) Describe firm's primary and supplementary lines of business?
- 2) Discuss the structure of your firm. If a private firm, state whether a corporation, partnership, sole proprietorship, or combination. Provide a listing of all principals and/or owners. Indicate the length of time the firm has been in business under the current business name as well as any previous business names.
- 3) Provide a brief description of the firm's size, nationally and locally, if applicable, as well as the organizational structure of the specific office(s) where the assigned staff will be located. Include the addresses of all the firm offices.
- 4) Identify the number of employees, overall employee selection, training process and retention methods. Indicate the specific criteria used for selecting personnel to provide the required services and what type of training and supervision they will receive to ensure that Town requirements are met. What was the employee turnover rate at your firm for the past three calendar years?
- 5) Describe material formal and informal business relationships that your firm has with underwriters and in structuring and sale of its various bond issues. Please describe material formal and informal business relationships that your firm has currently or has had during the past two years with any investment banking firm(s) or other providers of financial products, securities or investments, particularly, but not limited to, marketing and structuring of derivative products, interest rate swaps, guaranteed investment contracts, and joint investment accounts. Describe any fee arrangements or other compensation or consideration exchanged between your firm and those firms with which you have formal or informal business relationships.
- 6) Provide the firm's most current and prior two years financial statements, if publicly available, showing the firm's assets, liabilities, net worth and net capital. At a minimum, include the Balance Sheet (Statement of Financial Position), Income Statement (Statement of Operations), and the Retained Earnings Statement. If audited statements are available, these should be submitted to meet this requirement. The most current financial statements must be no more than 18 months old. If financial statements are not publicly available, provide authorization for a credit check to be performed.

### ***Firm Services***

- 1) What financial advisory services is your firm capable of providing? Describe the type of services.
- 2) List the individual financings your firm has been involved with as a financial advisor over the last five years. Include the date, dollar amount of the issuance, and note any complexities. Identify the current staff from your firm that was assigned to these engagements. Also for each issue, identify your basis of compensation (e.g. hourly, retainer, full service, etc.) as a financial advisor.
- 3) As a financial advisor, please indicate the type of financings used during your consultations over the last five years and indicate whether the sales were "competitively" awarded or "negotiated".
- 4) Does your firm provide financial underwriting services? If yes, list financings underwritten

over the past five years.

- 5) Does your firm function simultaneously as financial advisor and underwriter on any of the debt issues in your firm's consultant portfolio? If so, explain.
- 6) What technical, analytical and legal support service does your firm have available in-house? Please describe these resources.
- 7) How would the Town have access to you and your firm on an emergency basis?
- 8) Discuss any alternative services or higher levels of service that your firm would like to provide. Provide sufficient detail for the Town to evaluate the proposed services.

### ***Disclosures***

- 1) The MSRB has established ethical standards and disclosure requirements. If you are not subject to these, does your firm subscribe to their rules regarding gifts, gratuities, and political contributions?
- 2) Does your firm participate as a lobbyist? If so, explain where, in what capacity, and for what clients.
- 3) Certify whether the firm or any of the owners or principals is subject to any pending or threatened litigation and/or sanctions. The certified statement should cover the size and scope of any pending litigation and/or sanctions. If no litigation/sanction is pending, include a statement to that effect.
- 4) Indicate if your firm currently is or, in the past three years, has been the subject of a SEC, NASD, MSRB, federal, state or local government inquiry and/or investigation. If so, describe the nature and disposition of any and all such inquiries or investigations. Have any of these entities invoked sanctions against your firm or your staff?
- 7) Are you a signatory to SEC's voluntary ban on political contributions?

### ***References/Clients***

Proposer shall include the name, address and telephone number of five clients for whom services have been performed. References should be current and should be relevant to the personnel described in the Qualifications. Please provide a one line description of services provided with each reference, as well as the team member that provided the services.

### ***Indemnification***

To the fullest extent permitted by law, the Provider, its subcontractor, agents, servants, officers or employees shall indemnify and hold harmless the Town of Darien, Connecticut, including but not limited to, its respective elected and appointed officials, officers, employees and agents, from any and all claims brought by any person or entity whatsoever, arising from any act, error, or omission of the provider during the Provider's performance of the Agreement or any other agreements of the Provider entered into by reason thereof. The Provider shall indemnify and defend the Town of Darien, Connecticut, including, but not limited to, its respective elected and appointed officials, officers, employees and agents, with respect to any claim arising, or alleged to have arisen from negligence, and/or willful, wanton or reckless acts or omissions of the Provider, its subcontractor, agents, servants, officers, or employees and any and all losses or liabilities resulting from any such claims, including, but not limited to, damage awards, costs and reasonable attorney's fees. This

indemnification shall not be affected by any other portions of the Agreement relating to insurance requirements. The Provider agrees that it will procure and keep in force at all times at its own expense insurance in accordance with these specifications.

***Proof of Insurance***

Provide a certificate of insurance naming the Town of Darien as an "additional insured" in the minimum amounts as specified herein. Said insurance shall be with an insurance company with a minimum BEST rating of A-VII and licensed to do business in the State of Connecticut. It is the responsibility of the Provider to ensure that any and all approved subcontractors meet the minimum insurance requirements.

- a. Liability limits for bodily injury and personal injury, \$1,000,000 per occurrence
- b. Liability limits for property damage, including that caused by motor vehicles, \$1,000,000 per occurrence
- c. Contractual liability, \$1,000,000 per occurrence
- d. Errors and omission and professional liability in the amount of \$1,000,000
- e. Worker's Compensation, as required by Connecticut State statutes.
- f. The "Town of Darien" is to appear as an additional insured on all Certificates of Insurance.
- g. All insurance is to be provided by a company authorized to issue such insurance in the State of Connecticut.
- h. All insurance may not be canceled or modified without sixty (60) days written notice by registered U.S. Mail to "Finance Director, Town of Darien, 2 Renshaw Road, Darien, Connecticut 06820".
- i. The insurance company rating should be no less than A- VII by A.M. Best.

***Proposed Fees/Compensation***

The proposed fee should be submitted as a flat fee for services. As additional information, the Financial Advisor can list an hourly rate for services to be provided by different levels of staff in regards to the time estimated to provide various types of financial advisory services. List estimated out of pocket costs for a typical general obligation bond sale and a typical bond anticipation note sale.

***Other Activities***

Proposer may include any additional information or activities that are relevant to the scope of this RFP.

## **VII. QUALIFICATIONS SUBMITTAL**

- ❖ Five (5) copies of the Proposal must be received no later than **2 pm. Friday, August 4, 2006** in a sealed envelope bearing on the outside the name of the firm, full address, name of the project for which the proposal is submitted and date and time the proposal is due, at the following location. A late submittal will not be considered and will be returned to the proposer unopened. Facsimile or e-mail copies will not be accepted.

Kathleen Clarke Buch, CPFO  
Finance Director  
Town of Darien  
2 Renshaw Road  
Darien, CT 06820

### **Reference: Financial Advisor Proposal**

- ❖ This Request for Proposals does not commit the Town of Darien to award any contract, to pay costs incurred in the preparation of any Proposals nor to procure or pay for any service. The Town, at its sole discretion, reserves the right to accept or reject any or all Proposals received as a result of this request, to excuse informalities and irregularities and to request clarification from any firm without notice thereof to other firms, to negotiate with any qualified source, or to cancel in part or in its entirety this request.
- ❖ The Town will not disclose to any firm the basis upon which it makes its decision or any information regarding the content of a submittal of any other firm.
- ❖ Questions must be in writing and may be addressed to Kathleen Clarke Buch, at the above address or via email to kbuch@darienct.gov.